Financing Agreement

(Livelihood Enhancement and Association of the Poor Project)

Between

KINGDOM OF CAMBODIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated May 4, 2017
FINANCING AGREEMENT

AGREEMENT dated May 4, 2017, entered into between the KINGDOM OF CAMBODIA ("Recipient") and the INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to fifteen million one hundred thousand Special Drawing Rights (SDR 15,100,000) (variously, "Credit" and "Financing"), to assist in financing the project described in Schedule I to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are April 1 and October 1 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollar.
ARTICLE III — PROJECT

3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — TERMINATION

4.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

4.02. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its Minister at the time responsible for finance.

5.02. The Recipient’s Address is:

   Ministry of Economy and Finance
   92 Street
   Sangkat Wat Phnom, Khan Daun Penh
   Phnom Penh
   Kingdom of Cambodia

   Facsimile: (855-23) 725-341
             (855-23) 427-798

5.03. The Association’s Address is:

   International Development Association
   1818 H Street, N.W.
   Washington, D.C. 20433
   United States of America

   Facsimile: 1-202-477-6391
AGREED at Phonm Penh, Kingdom of Cambodia, as of the day and year first above written.

KINGDOM OF CAMBODIA

By

Authorized Representative

Name: AUN PORN MONIROTH, Ph.D

Title: Senior Minister and Minister of Economy and Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Ulrich Zachau

Title: Country Director South East Asia
SCHEDULE 1

Project Description

The objectives of the Project are to improve access of poor and vulnerable households in selected communities to financial services, opportunities for generating income, and small-scale infrastructure, and to provide immediate and effective response in case of an Eligible Crisis or Emergency.

The Project consists of the following parts:

Part 1: Improving Livelihoods for Rural Poor and Vulnerable Households

1.1 Building and Strengthening Institutions of the Rural Poor. Carrying out of a program of activities, including the provision of Community Grants, to support the formation and strengthening of associations of poor and vulnerable households in Siem Reap Province, primarily through self-help groups, producer groups and/or agricultural cooperatives in order to enable their members to engage jointly or individually in productive activities, including among others capacity building assistance for basic financial literacy, micro-enterprise and business planning, basic accounting and record keeping, good governance practices, and access to assets, skills, technology, financial services and markets.

1.2 Enhancing Skills and Employment Opportunities for the Rural Poor. Carrying out of a program of activities to improve the skills and income generating opportunities for poor household members in Siem Reap Province, with a focus on unemployed youth and women from poor households, including among others: (a) carrying out of local labor market surveys and training providers assessment; (b) selection of beneficiary households; (c) employability training and career counseling; (d) provision of training vouchers and skills training; and (e) job placement and employment support.

1.3 Improving Basic Services and Community Infrastructure for the Rural Poor. Provision of improved small-scale community infrastructure and services to respond to the priority needs of selected beneficiary communities in Siem Reap Province identified through the Commune investment plans including, among others, water supply and sanitation facilities, small-scale irrigation schemes, small storage and warehouses, community access roads, and improved on-farm water management practices.

Part 2: Improving Livelihoods for Urban Poor and Vulnerable Households

2.1 Enhancing Skills and Employment Opportunities for the Urban Poor. Carrying out of a program of activities to improve the skills and income generating opportunities for poor household members in Phnom Penh, with a focus on unemployed youth and women from poor households, including among others: (a) carrying out of local labor market surveys and training providers’ assessment; (b) selection of beneficiary households;
(c) employability training and career counseling; (d) provision of training vouchers and skills training; and (e) job placement and employment support.

2.2 Improving Basic Services and Community Infrastructure for the Urban Poor.
Provision of improved small-scale community infrastructure and services to respond to the priority needs of selected beneficiary communities in Phnom Penh identified through the Sangkat investment plans including, among others, drainage systems, community roads/footpaths, water supply and sanitation systems, and street lighting.

Part 3: Project Management
Provision of technical and operational assistance for the overall project implementation, supervision and coordination of the Project at the national, provincial, district/Khan, Commune/Sangkat, and village/community levels, including among others: (a) social and environmental safeguards management; (b) procurement planning and contracts management; (c) financial management, disbursement and audit; and (d) monitoring, evaluation and communication.

Part 4: Contingent Emergency Response
Provision of immediate response to an Eligible Crisis or Emergency, as needed.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. For the purpose of ensuring the efficient and effective implementation of the Project, the Recipient shall maintain, throughout the period of implementation of the Project, Project implementation structures at the national and sub-national level, all with composition, functions, staffing and resources satisfactory to the Association and set out in the Project Implementation Manual.

2. Without limitation to foregoing, the Recipient shall maintain:

   (a) A Steering Committee, chaired by the Mol and including as members relevant national ministries and institutions involved in the implementation of the Project, which shall be responsible, inter alia, for:
       (i) endorsing the Annual Work Plans and Budgets for the Project;
       (ii) reviewing the progress of the Project and providing strategic guidance on its implementation and the achievement of its objectives; and
       (iii) facilitating coordination of Project activities among the members of the committee and the removal of any obstacles to the timely and effective implementation of the Project.

   (b) A Project Coordination Office within the Mol, which shall be responsible, inter alia, for the overall Project coordination, management, procurement including support for procurement activities at the Commune/Sangkat level, financial management including support for financial management activities undertaken by the Sub-Management Teams, environmental and social safeguards management with the oversight of the IRC / Ministry of Economy and Finance on any resettlement matters and support to the relevant Sub-Management Teams, and overall monitoring and evaluation of the Project including support for monitoring and evaluation activities undertaken by the Sub-Management Teams.

   (c) Sub-Management Teams within each of the Siem Reap Provincial Administration and Phnom Penh Capital Administration, which shall be responsible, inter alia, for the day-to-day coordination and oversight of Project activities under, respectively, Part 1 and Part 2 of the Project, and providing administrative and management support for district level and commune level institutions and the mobilization of technical expertise from provincial or national level to support community level implementation activities.
B. Project Implementation Manual

The Recipient shall ensure that the Project is carried out in accordance with the arrangements and procedures set out in the Project Implementation Manual (provided, however, that in the event of any conflict between the arrangements and procedures set out in the Project Implementation Manual and the provisions of this Agreement, the provisions of this Agreement shall prevail) and shall not amend, abrogate or waive any provision of Project Implementation Manual unless the Association has provided its prior no-objection thereof in writing.

C. Annual Work Plans and Budgets

1. The Recipient shall prepare and furnish to the Association for its no-objection not later than November 30 of each Fiscal Year during the implementation of the Project (or such later date as the Association may agree), a consolidated Annual Work Plan and Budget (“AWPB”) as approved by the Ministry of Economy and Finance, containing all Project activities and Eligible Expenditures proposed to be included in the Project in the following Fiscal Year, including a specification of the sources of financing for all Eligible Expenditures, and environmental and social safeguard measures taken or planned to be taken in accordance with the provisions of Section I.E of this Schedule.

2. The Recipient shall ensure that the Project is implemented in accordance with the AWPB accepted by the Association for the respective Fiscal Year; provided, however, that in the event of any conflict between the AWPB and the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. The Recipient shall not make or allow to be made any change to the AWPB without prior no-objection in writing by the Association.

D. Sub-projects

1. No Sub-project shall be eligible for financing out of the proceeds of the Financing unless such Sub-project has been prepared, approved and implemented in accordance with the criteria, guidelines and procedures set forth in the Project Implementation Manual.

2. With respect to each eligible Sub-project for which the Recipient has decided to make available a Community Grant, the Recipient shall enter into or cause to be entered into a Community Grant Agreement with the proposed Beneficiary on terms and conditions acceptable to the Association, which shall include the following:
   
   (a) the amount of the Community Grant which shall be denominated in Dollars;
(b) obligations of the Beneficiary to make the proceeds of the Community Grant available to members of the Beneficiary through loans for the financing of Sub-project activities, under terms and conditions set out or referred to in the Community Grant Agreement and consistent with the Project Implementation Manual and the Safeguard Instruments.

(c) provisions to suspend or terminate the right of the Beneficiary to use the proceeds of the Community Grant, or obtain a refund of all or any part of the amount of the Community Grant then withdrawn, upon the Beneficiary’s failure to perform any of its obligations under the Community Grant Agreement; and

(d) obligations of the Beneficiary to: (A) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the Association, in full compliance with the provisions of the Project Implementation Manual, the Safeguard Instruments and the Anti-Corruption Guidelines applicable to recipients of Community Grant and Credit proceeds other than the Recipient; (B) provide, promptly as needed, the resources required for the purpose of the Sub-project; (C) procure the goods, works and services to be financed out of the Community Grant in accordance with the provisions of this Agreement; (D) maintain adequate records to reflect, in accordance with sound accounting practices, the operations, resources and expenditures relating to the Sub-project; (E) enable the Recipient and the Association to inspect the Sub-project, its operation and any relevant records and documents; and (F) prepare and furnish to the Recipient and the Association all such information as the Recipient or the Association shall reasonably request relating to the foregoing.

3. No Sub-project shall be eligible for financing unless a Community Grant Agreement has been concluded to this effect on terms and conditions set forth in this Section I.D and the Project Implementation Manual.

4. The Recipient shall exercise its rights under each Community Grant Agreement in such manner as to protect the interests of the Recipient and the Association and to accomplish the purposes of the Financing. Except as the Association shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Community Grant Agreement or any of its provisions.
E. Safeguards

1. The Recipient shall implement the safeguard requirements for the Project in a manner and substance satisfactory to the Association in full compliance with the Safeguards Instruments.

2. Without limitation upon the foregoing, the Recipient shall:

   (a) (i) screen and assess any potential negative environmental and social impacts of Project activities, and take all necessary actions to avoid, minimize, mitigate and/or compensate such impacts in a manner satisfactory to the Association in accordance with the ESMF; and
   (ii) whenever any EMPs shall be required pursuant to the ESMF, proceed to have such EMPs: (A) prepared in form and substance satisfactory to the Association in accordance with the ESMF; (B) if requested by the Association, submitted to the Association for review and no-objection; (C) adopted and disclosed in a manner satisfactory to the Association in accordance with the ESMF; and (D) thereafter, implemented in accordance with their terms and in a manner satisfactory to the Association, in full compliance with the ESMF; and

   (b) (i) take all necessary actions to avoid or minimize to the extent possible any involuntary loss by people of shelter, productive assets or access to productive assets or income or means of livelihood, temporarily or permanently, and the displacement of such people in the carrying out of the Project or any part thereof; (ii) where the acquisition of land or assets or the displacement of people is unavoidable, before initiating the implementation of any Project activities which would result in such acquisition or displacement, make available to such people compensation and, as applicable, relocate and rehabilitate the Displaced Persons in a manner satisfactory to the Association in accordance with the RPF and; and (iii) whenever required pursuant to the RPF, proceed to have RAPs: (A) prepared in form and substance satisfactory to the Association in accordance with the RPF; (B) except as otherwise agreed with the Association, submitted to the Association for review and no-objection; (C) adopted and disclosed in a manner satisfactory to the Association in accordance with the RPF; and (D) thereafter, implemented in accordance with their terms and in a manner satisfactory to the Association, in full compliance with the RPF.

3. Without limitation upon the foregoing, the Recipient shall ensure that each contract for civil works to be financed out of the proceeds of the Financing or by counterpart funds under the Project shall include the obligation of the relevant contractor to carry out such works in accordance with the Safeguards Instruments.
4. Except as the Association shall otherwise agree in writing, the Recipient shall not assign, amend, abrogate, waive, or permit to be assigned, amended, abrogated, or waived, any Safeguards Instrument, or any provision thereof.

5. The Recipient shall maintain policies and procedures adequate to enable it to monitor and evaluate, in accordance with guidelines acceptable to the Association, the implementation of the Safeguards Instruments.

6. The Recipient shall ensure that the terms of reference for any consultancies related to studies, assessments, regulations, technical guidelines, training and technical assistance activities under the Project shall be satisfactory to the Association and, to that end, such terms of reference shall, inter alia, duly incorporate the requirements of the Association's safeguard policies then in force, as applied to the advice conveyed through such studies, assessments, regulations, technical guidelines, training and technical assistance activities.

7. Without limitation upon its other reporting obligations under Section II.A of this Schedule, the Recipient shall take all measures necessary to regularly collect and compile, and submit to the Association, as part of the Project Reports, information on the status of compliance with the Safeguards Instruments, providing details of:
   (a) the measures taken in furtherance of the Safeguards Instruments;
   (b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the Safeguards Instruments; and
   (c) remedial measures taken or required to be taken to address such conditions.

8. In the event of a conflict between the provisions of any of the Safeguards Instruments and those of this Agreement, the provisions of this Agreement shall prevail.

F. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions the Anti-Corruption Guidelines.

G. Contingent Emergency Response

1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project ("Emergency Response Part"), the Recipient shall:
   (a) prepare and furnish to the Association for its review and no-objection, an Emergency Response Manual ("ERM") which shall set forth detailed
implementation arrangements for the Emergency Response Part, including: (i) any special institutional structures or arrangements for coordinating and implementing the Emergency Response Part; (ii) specific activities which may be included in the Emergency Response Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the Emergency Response Part; (iv) procurement methods and procedures for the Emergency Response Part; (v) documentation required for withdrawals of Emergency Expenditures; (vi) environmental and social safeguard management arrangements and instruments the Emergency Response Part; and (vii) any other arrangements necessary to ensure proper coordination and implementation of the Emergency Response Part;

(b) afford the Association a reasonable opportunity to review the proposed ERM;

(c) promptly adopt the ERM for the Emergency Response Part as accepted by the Association;

(d) ensure that the Emergency Response Part is carried out in accordance with the ERM; provided, however, that in the event of any inconsistency between the provisions of the ERM and this Agreement, the provisions of this Agreement shall prevail; and

(e) not amend, suspend, abrogate, repeal or waive any provision of the ERM without the prior written no-objection by the Association.

2. The Recipient shall, throughout the implementation of the Emergency Response Part, maintain the institutional structures and arrangements established in accordance with the ERM, with adequate staff and resources satisfactory to the Association.

3. The Recipient shall undertake no activities under the Emergency Response Part unless and until the following conditions have been met in respect of said activities:

(a) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include said activities in the Emergency Response Part in order to respond to said Eligible Crisis or Emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof; and

(b) the Recipient has ensured the preparation and disclosure of all safeguard instruments as may be required for said activities in accordance with the
ERM, the Association has issued its no-objection to all said instruments, and the Recipient has ensured the implementation of any actions which are required to be taken under said instruments.

Section II. **Project Monitoring, Reporting and Evaluation**

A. **Project Reports**

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association and set forth in the Results Framework. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than forty-five (45) days after the end of the period covered by such report.

2. The Recipient shall: (a) on or about the date thirty (30) months after the Effective Date, prepare and furnish to the Association a mid-term report, in such detail as the Association shall reasonably request, documenting progress achieved in the carrying out of the Project during the period preceding the date of such report, taking into account the monitoring and evaluation activities performed pursuant to paragraph 1 of this Part A, and setting out the measures recommended to ensure the continued efficient carrying out of the Project and the achievement of its objectives during the period following such date; and (b) review with the Association such mid-term report, on or about the date forty-five (45) days after its submission, and thereafter take all measures required to ensure the continued efficient implementation of the Project and the achievement of its objectives, based on the conclusions and recommendations of the mid-term report and the Association’s views on the matter.

B. **Financial Management, Financial Reports and Audits**

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association, as part of the Project Reports, not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) year of the Recipient. The
audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Financing shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines, and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Association of particular contracts, refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. International Competitive Bidding. Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding, subject to the additional provisions set forth in the Annex to this Schedule; (b) Shopping; (c) procurement under Framework Agreements in accordance with procedures which have been found acceptable to the Association; (d) Direct Contracting; (e) Force Account; (f) Procurement from UN agencies; and (g) Community Participation procedures which have been found acceptable to the Association.

C. Particular Methods of Procurement of Consultants’ Services

1. Quality and Cost-based Selection. Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection.
2. **Other Methods of Procurement of Consultants’ Services.** The following methods, other than Quality- and Cost-based Selection, may be used for procurement of consultants' services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. **Review by the Association of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Association’s Prior Review. All other contracts shall be subject to Post Review by the Association.

E. **Additional Provisions**

Unless otherwise agreed to between the Recipient and the Association, and for the purposes of this Section, guidance for implementing the Procurement Guidelines and the Consultant Guidelines is provided in the Kingdom of Cambodia’s Updated Procurement Manual for all Externally Financed Projects/Programs, promulgated pursuant to Sub-Decree 74 on Promulgating the Updated Standard Procedures for Implementing All Externally Financed Projects/Programs, dated May 22, 2012. In case of inconsistency between the provision of these regulations and manual and the provisions of this Agreement (including the Procurement Guidelines and the Consultant Guidelines) the provisions of this Agreement (including the Procurement Guidelines and the Consultant Guidelines) shall prevail.

F. **Procurement of Emergency Expenditures under the Emergency Response Part**

Notwithstanding any provision to the contrary in this Section, Emergency Expenditures required for activities included in the Emergency Response Part shall be procured in accordance with the procurement methods and procedures set forth in the ERM.

Section IV. **Withdrawal of the Proceeds of the Financing**

A. **General**

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as
revised from time to time by the Association and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Financing to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants' services, Training and Operating Costs under Parts 1, 2 and 3 of the Project, excluding Community Grants</td>
<td>12,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Community Grants under Part 1.1 of the Project</td>
<td>2,500,000</td>
<td>100% of amounts disbursed</td>
</tr>
<tr>
<td>(3) Emergency Expenditures under Part 4 of the Project</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>15,100,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

   (a) for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 20,000 may be made for payments made prior to this date but on or after February 24, 2017 for Eligible Expenditures; or

   (b) for Emergency Expenditures under Category (3), unless and until the Association is satisfied, and notified the Recipient of its satisfaction, that
all of the following conditions have been met in respect of said expenditures:

(i) the Recipient has determined that an Eligible Crisis or Emergency has occurred, has furnished to the Association a request to include the proposed activities in the Emergency Response Part in order to respond to said crisis or emergency, and the Association has agreed with such determination, accepted said request and notified the Recipient thereof;

(ii) the Recipient has ensured that all safeguard instruments required for said activities have been prepared and disclosed, and the Recipient has ensured that any actions which are required to be taken under said instruments have been implemented, all in accordance with the provisions of Section I.G of this Schedule;

(iii) the entities in charge of coordinating and implementing the Emergency Response Part have adequate staff and resources, in accordance with the provisions of Section I.G of this Schedule, for the purposes of said activities; and

(iv) the Recipient has adopted the ERM, in form and substance acceptable to the Association, and the provisions of the ERM remain - or have been updated in accordance with the provisions of Section I.G of this Schedule so as to be - appropriate for the inclusion and implementation of the Emergency Response Part.

2. The Closing Date is November 30, 2022.
ANNEX TO SCHEDULE 2
National Competitive Bidding Procedures

The competitive bidding procedure to be followed for National Competitive Bidding shall be the public competitive methods set forth in the Kingdom of Cambodia’s Updated Procurement Manual for All Externally Financed Projects/Programs (“Procurement Manual”), with the modifications set forth below in order to ensure broad consistency with the provisions of Section I of the Procurement Guidelines as required by paragraphs 3.3 and 3.4 of the Procurement Guidelines. The Procurement Manual elaborates detailed procedures for the procurement of goods, works and non-consulting services under projects financed by development partners in Cambodia, and is promulgated through the Sub-decree 74 on “Promulgating the Updated Standard Procedures for Implementing all Externally Financed Projects/Programs” dated May 22, 2012, which is issued pursuant to Article 3 of the Kingdom of Cambodia’s Law on Public Procurement dated January 14, 2012.

1. Eligibility

No bidder or potential bidder shall be declared ineligible for contracts financed by the Association for reasons other than as provided in Section I of the Procurement Guidelines. Bidder registration shall not be used to determine eligibility under Section I of the Procurement Guidelines. Foreign bidders shall not be asked or required to form joint ventures with national bidders in order to submit a bid. Bidders located in the same province or city as the procuring entity shall not be given preference over bidders located outside that city or province.

2. Bid Submission, Bid Opening and Bid Evaluation

(a) Prospective bidders shall be given at least thirty (30) days from the date of publication of the invitation to bid or the date of availability of the bidding documents, whichever is later, to prepare and submit bids;

(b) The evaluation of a bid shall be made in strict adherence to the criteria that shall be clearly specified in the bidding documents and quantified in monetary terms for evaluation criteria other than price; merit points shall not be used in bid evaluation;

(c) The lowest evaluated bidder shall be required to meet minimum qualification criteria which shall be determined based on the bidder’s capacity and resources to perform the contract, specifically its experience and past performance on similar contracts, capabilities with respect to personnel, equipment and construction and manufacturing facilities, and financial capacity;
(d) No bidder shall be rejected on the basis of a comparison with the Recipient’s estimate and budget ceiling without the Association’s prior concurrence;

(e) A copy of the minutes of the public bid opening shall be promptly provided to all bidders and to the Association with respect to contracts subject to prior review; and

(f) Neither shall all bids be rejected nor shall new bids invited without the Association’s prior written concurrence.

3. Right to Inspect/Audit

Each bidding document and contract financed from the proceeds of the Financing shall include a provision requiring bidders, suppliers, contractors and subcontractors to permit the Association, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract and to have said accounts and records audited by auditors appointed by the Association. The deliberate and material violation by a bidder, supplier, contractor or subcontractor of such provision may amount to obstructive practice.

4. Publication

Information on contract award shall be published at least in a national newspaper or in the official gazette of wide circulation, or on a widely used website with free national and international access within two (2) weeks of receiving the Association’s no objection to the award recommendation for contracts subject to prior review, and within two (2) weeks from the award for contracts subject to post review. Publication shall include the following information: (a) the name of each bidder which submitted a bid; (b) bid prices as read out at bid opening; (c) evaluated prices of each bid that was evaluated; (d) the names of bidders whose bids were rejected and the reasons for their rejection, and (e) the name of the winning bidder, the final total contract price, and the duration and summary scope of the contract.
SCHEDULE 3

Repayment Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each April 1 and October 1, commencing April 1, 2023 to and including October 1, 2054.</td>
<td>1.5625%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.
APPENDIX

Definitions

1. "Annual Work Plan and Budget" and the abbreviation "AWPB" each means the annual work plan and budget referred to in Section I.B of Schedule 2 to this Agreement; as said plan and budget may be modified from time to time with the prior written no-objection of the Association.


3. "Beneficiary" means a self-help group, producer group, agricultural cooperative or other type of associations formed under Part 1.1 of the Project in accordance with the laws of the Recipient, which is the recipient of the respective Community Grant and responsible for the implementation of the Sub-project.

4. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

5. "Community Grant" means a Community Grant made available to a Beneficiary under Part 1.1 of the Project and in accordance with the provisions of a Community Grant Agreement, and the term “Community Grants” means, collectively, more than one Community Grant.

6. "Community Grant Agreement" means the agreement to be entered into between the Recipient and each Beneficiary for purposes of implementing and financing a Sub-project, and the term “Community Grant Agreements” means collectively, all such Community Grant Agreements.


8. "Displaced Persons" means persons who, on account of the involuntary taking of land and other assets as part of the execution of the Project experienced or would experience direct economic and social impacts caused by: (a) the involuntary taking of land, resulting in: (i) relocation or loss of shelter; (ii) loss of assets or access to assets; or (iii) loss of income sources or means of livelihood, whether or not such person must move to another location; or (b) the involuntary restriction to access to legally designated parks and protected areas, resulting in adverse impacts on the livelihood of such persons.
9. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic and/or social impact to the Recipient, associated with a natural or man-made crisis or disaster.


11. “Emergency Response Manual” and the abbreviation “ERM” means the plan referred to in Section I.G of Schedule 2 to this Agreement, to be adopted by the Recipient for the Emergency Response Part in accordance with the provisions of said Section.

12. “Emergency Response Part” means a specific activity or activities to be carried out in the event of an Eligible Crisis or Emergency under Part 4 of the Project.

13. “EMPs” means, individually and collectively, any site-specific environmental management plans, in form and substance satisfactory to the Association, as may be required to be prepared pursuant to Section I.E of Schedule 2 to this Agreement in accordance with the ESMF, all such plans defining details of measures to manage potential environmental risks and avoid, minimize, mitigate and/or compensate adverse environmental impacts associated with the implementation of activities under the Project, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with their terms, as such plans may be modified from time to time with the prior written no-objection of the Association.

14. “ESMF” means the Recipient’s Environmental and Social Management Framework, dated January 9, 2017, setting out, inter alia, the principles, standards, processes and tools to be applied to assess potential adverse social and environmental impacts associated with Project activities and the ways to avoid, minimize, mitigate and/or compensate them, with related public consultation, disclosure, reporting and grievance redress procedures, as such framework may be modified from time to time with the prior written no-objection of the Association, and such term includes any schedules or annexes to such framework.


16. “IRC” means the Recipient’s Inter-ministerial Resettlement Committee, and any successor thereto.

17. “Mol” means the Recipient’s Ministry of Interior and successor thereto.
18. "Operating Costs" means the reasonable costs of goods and non-consulting services required for the day-to-day coordination, operation and supervision of Project activities, including leasing and/or routine repair and maintenance of vehicles, equipment, facilities and office premises, fuel, office supplies, utilities, consumables, communication expenses (including postage, telephone and internet costs), transportation, translation, printing and photocopying expenses, bank charges, publications and advertising expenses, insurance, Project-related meeting expenses, Project-related travel, subsistence and lodging expenses, and other costs and contractual services directly related to the Project, but excluding consultant fees and salaries, bonuses, fees and honoraria or equivalent payments of members of the Recipient’s civil service.


20. "Procurement Plan" means the Recipient’s procurement plan for the Project, dated January 10, 2017 and referred to in paragraph 1.18 of the Procurement Guidelines and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

21. "Project Implementation Manual" means the manual adopted by the Recipient for the implementation of the Project referred to in Section 1.B of Schedule 2 to this Agreement, containing detailed arrangements and procedures for: (a) institutional coordination and day-to-day execution of the Project; (b) the eligibility criteria, appraisal, approval and administration arrangements and procedures for Sub-projects and terms and conditions of Community Grant Agreements; (c) disbursement and financial management; (d) procurement; (e) measures required to implement the ESMF and the RPF; (f) participation, transparency and complaints handling mechanisms; (g) monitoring and evaluation, reporting and communication; and (h) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project; as said manual may be modified from time to time with the prior written no-objection of the Association, and such term includes any schedules to such manual.

22. "RAPs" means any resettlement action plans to be prepared by the Recipient in accordance with the RPF, pursuant to Section 1.E of Schedule 2 to this Agreement, each such plan in form and substance satisfactory to the Association, setting out, inter alia, measures for compensation and resettlement of any Displaced Persons, including the magnitude of displacement, compensation and resettlement arrangements, budget and cost estimates, and sources of funding, together with adequate institutional, monitoring and reporting arrangements capable of ensuring proper implementation of, and regular feedback on compliance with its terms, as said plan may be modified from time to time with the prior written no-objection of the Association, and such term includes any annexes and schedules to such plan.
23. "RPF" means the Recipient's Resettlement Policy Framework, dated December 22, 2016 setting out, inter alia, the principles, standards, processes and tools applicable to the acquisition of rights to land, resettlement and compensation of Displaced Persons, as well as reporting and monitoring arrangements to ensure compliance with the said framework, with related public consultation, disclosure and grievance redress procedures, as said framework may be modified from time to time with the prior written no-objection of the Association, and such term includes any schedules or annexes to such framework.

24. "Safeguards Instruments" means, collectively, the ESMF and the RPF and any EMPs and/or RAPs prepared in accordance with the ESMF and the RPF.

25. "Sub-project" means a specific set of activities to be carried out by a Beneficiary under Part 1.1 of the Project utilizing the proceeds of a Community Grant, all in accordance with the provisions of the Project Implementation Manual, and the term "Sub-projects" means all such Sub-projects.

26. "Training" means the reasonable costs of goods and services required for the participation of personnel involved in training activities, workshops and study tours under the Project, including travel and subsistence costs for training, workshop and study tour participants, costs associated with securing the services of trainers, rental of training and workshop facilities, preparation and reproduction of training and workshop materials, tuition fee vouchers, and other costs directly related to training course, workshop or study tour preparation and implementation, but excluding consultants’ fees and salaries, bonuses, fees and honoraria or equivalent payments of members of the Recipient’s civil service.